European Community

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Computer links

Contents

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The Community in April/May

April 14-18	European Parliament
April 21	Finance Council
April 21	Finance/Foreign Affairs Council
April 21-22	Foreign Affairs Council
April 21-23	Agriculture Council
April 27-28	European Council
April 29	Environment Council
May 5-6	Foreign Affairs Council
May 7	Energy Council
May 12,	Finance Council
May 12-13	Agriculture Council
May 13	Research Council
May 19	Fiscal Affairs Council
May 19-23	European Parliament
May 20	Education Council

Computers

Anne Symonds reports on the new EEC information retrieval system, Euronet Diane

'Only connect', declared the novelist E. M. Forster, giving at least part of the answer to some of the world's problems. On 13 February, in Strasbourg, when Mme. Simone Veil, President of the European Parliament, unveiled 'Euronet Diane', the Community proved how important it considers the famous writer's advice to be.

Euronet Diane is a new high-speed computerised information system which will link all nine Community countries; so important is it that highly developed non-Community countries like Switzerland and Sweden are queueing up to join it too.

Capitals linked

It began in 1971 with a resolution of the Council, which feared that the Community countries might become too dependent on the Americans for the transmission of information; their system, so it is said, practises some measures of discrimination against certain users. The Commission promptly started on consultations with member states, and their postal and telecommunications services; by the end of this year the former will have provided some £10 million for development, the latter a further £3 million or so. The decision was well taken: in 1976, it was reckoned that requests for information of the sort provided by Euronet were 60,000. More than 2 million are expected by 1985.

London, Amsterdam, Brussels, Frankfurt, Luxembourg, Paris, Dublin and Rome are now linked together in a specialised transmission network (Euronet). The network has been made possible by the unprecedented extent of cooperation between the postal and telecommunications services of the nine member countries, working for the first time ever as a consortium. Euronet links to Diane (Direct Information Access Network for Europe), which consists of some 25 independent European computerised information services with access to some 180 data bases and data banks, working in the scientific, technical, social and economic fields.

The Commission's development proceeded on three main lines; in addition to the creation and consolidation of the Community's information links by the national networks, there was the development of the data bases and the data banks — which deal with facts and figures — and there is still a lot of work to be done here, providing technical information; there has also had to be a training programme for potential users of the new technology. Just how important this training is is shown in a recent German study of the situation: within the next five years some 10 per cent of European workers will be directly involved in the new technology; in the longer term, this number will have risen to more than 50 per cent.

Milliseconds

Euronet Diane employs the so-called electronic packet switching technology which enables the swift passage of many messages along a single electronic circuit — every millisecond of line availability is used. There is a special coding system accompanying each packet of information which sorts out the various messages, delivering them to the desired destination. The security of the information in each packet is assured, and there is a considerable reduction in overall cost. There are four main switching exchanges, in London, Frankfurt, Paris and Rome; while the centre of control and management is situated in London. This is not only a tribute to the efficiency of British telecommunications services, but also to the leading role taken, together with the French company SESA, by the British private enterprise firm Logica.

A feature of the new technology is not only its rapid expansion, but also its rapidly falling cost. Complex though it seems, it is on examination remarkably cheap. So in answer to the obvious question 'What does it cost?', the reply is as low as 20 per cent of a normal international telephone call in search of specialised information. It is claimed for example that an average interrogation of a data base would cost about £10 for a quarter of an hour.

One of Euronet's great advantages is that it dismisses distance as a relevant factor in the cost. The outlying regions of the Community have no reason to feel second-class citizens: the north of Scotland can communicate with the Mezzogiorno as cheaply as Lille and Frankfurt, or nearly. The charges are only varied in what the individual countries charge users for connections to the switching exchanges. For example, between Birmingham and London an extra STD charge could be payable before joining the Euronet system in London. Nor is the cost of hiring equipment as expensive as might be expected; a special keyboard and screen linked to a normal telephone line is all that is required, and this costs about £800 per year. Industrial companies are eager to get going, and are estimated to account for about 70 per cent of expected users. The Commission's initial assessment of about 1,000 users appears to have been a considerable under-estimation; the new assessment is nearer 3,000, with a potential rising to ten times that number.

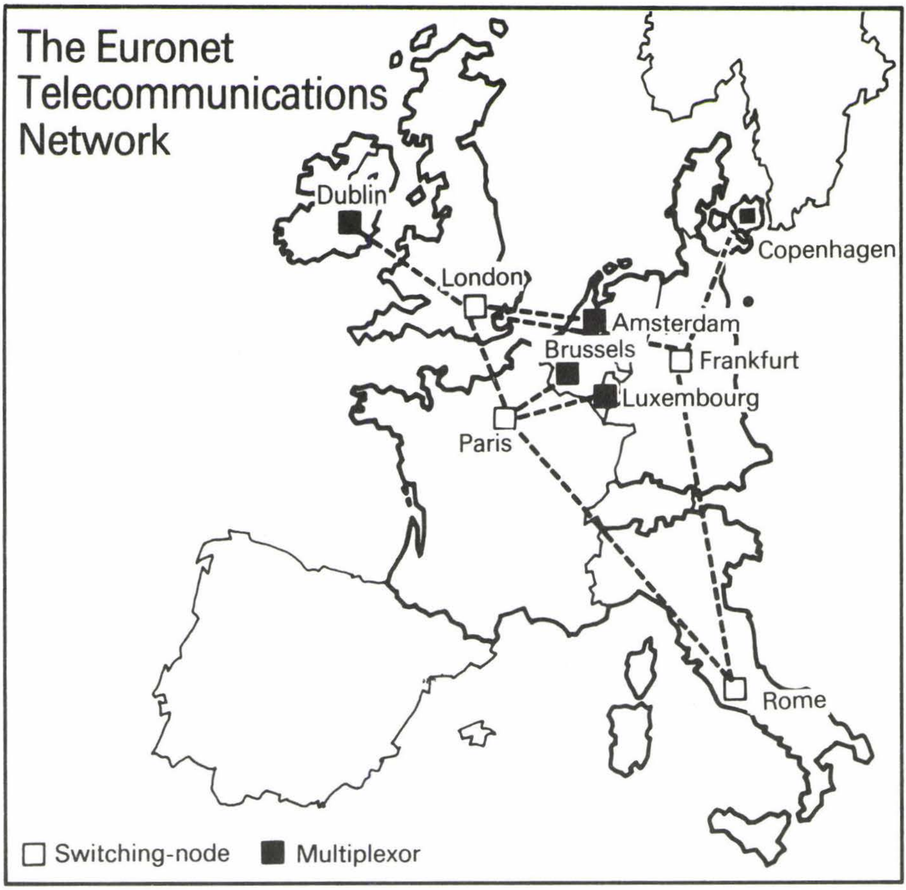
The cost advantages are legion; most business enterprises are aware of the expensive damage done to research and development by the ignorant duplication of effort — quickly this danger can now be disposed of; within three seconds access can be got to Diane's data bases and banks; medical teams will know where to turn for emergency spare parts without any unnecessary delay.

Euronet Diane also presents an impressive growth in inter-Community rationalisation and standardisation, which is a model of its kind. Standardised interfaces for connection to Euronet introduce a new compatibility between different equipment; firms which have already invested in Honeywell or Siemens or ICL technology can still link up with Euronet.

Language problem

There is of course one big problem, and that is language differences. It is at the moment extremely costly to provide an interpretation service in the several languages of the Euronet users. The Commission is, however, working on a scheme for automatic translation, and meanwhile the implementation of a standard command language for the Diane computers goes ahead. This will concentrate on the exchange of business information. The Commission is also anxious to speed up the provision of the bibliographical detail obtained from the data bases. At the moment it may take up to eight weeks to get all the necessary documents recommended by the data bases. This is considered far too long.

It is clear that there is still a lot of work and a lot of expansion for employment ahead as far as can be seen. The new technology which has been feared as a great threat to jobs can well help to provide them. Indeed, it is this aspect which the Commission is emphasising, by making a particular effort to use Euronet for the specific needs of labour intensive small and medium business enterprises. It will specialise in matters affecting the economy, industry and investment. Euronet is leaping the frontiers.



Pronto, pronto

Mr Roy Jenkins, President of the Commission, who accompanied Mme. Veil at the grand opening, declared that he saw it as only the beginning for a healthy European information industry, a model for what the Community must try to achieve 'in the whole complex of information and micro-electronic technologies'.

A highlight of the opening was a country-by-country link-up between the Italian Minister for Posts and Telecommunications, Signor Vittorio Colombo, and his counterparts in each member state, all nine of them. Only twice did Signor Colombo have to shout 'Pronto, pronto, pronto' into an unresponsive telephone, which, when one considers how easily local calls go astray, was remarkably good going.

For further information Euronet DIANE News

Euronet Diane News is published by the Commission's Directorate-General for Scientific & Technical Information and Information Management, and is available on request from the address below.

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Dossier

ON FILE

Euro-Arab relations

Eric Meyer works in Brussels as a specialist oil correspondent; he looks at the ups and downs of the Euro-Arab dialogue

Relations between the Commuity and the Arab countries have never been easy. Several years' preparations were needed before the ambassadors of the two groups of States could get their 'Euro-Arab dialogue' off the ground, and yet the two sides failed, after four years of discussions, to arrive at any tangible agreement on the exact nature of their negotiations — whether they were political or economic — and left untouched the issue closest to Europe's heart, namely oil. Contacts are now being resumed, at a time when Europe is in even greater need of stable oil supplies and the Arabs of development aid. However, the success of these overtures will depend partly on whether the two sides genuinely desire to negotiate, but perhaps even more on certain outside factors: the respective alliances to which the Community and the Arab League belong and the political climate generated by events in Iran and Afghanistan.

After over a year's silence, the Community and the Arab countries are preparing to take up the dialogue once again following its interruption by Egypt's withdrawal from the Arab League and the transfer of that organization's headquarters from Cairo to Tunis. Italy, having taken over the Presidency of the Council of Ministers of the European Communities for the first half of 1980, a senior Italian official recently had talks with the Secretary-General of the Arab League in Rome and a second meeting was held in Tunis in February to work out guidelines for this new round of discussions. At the same time, however, in an altogether separate move, Mr Genscher, German Foreign Minister, suggested to his colleagues at a meeting in Brussels on 15 January that negotiations on the type of agreement Europe was on the point of concluding with the ASEAN countries should be opened with the Arab States in the Persian Gulf (Kuwait, Bahrain, Qatar, Oman, United Arab Emirates, Saudi Arabia and Iraq — but not Iran. The League comprises these countries and all the other Arab States — with the exception of Egypt!) The Council approved this proposal and directed the Commission to make the requisite preparations for a meeting with the seven countries concerned. So two quite separate dialogues between two virtually identical groups of countries are therefore starting at the same time — and this is perhaps not just sheer coincidence.

Reactivation of the 'dialogue'

The first Euro-Arab dialogue was undermined by disagreement over whether the talks were 'political' or 'economic' in nature and by the fact that trade in oil was not covered. It has yet to be seen whether the 1980 negotiations will manage to steer clear of these pitfalls.

At first sight, misgivings seem justified: the initial contacts made in Rome brought to light the old divergencies between Europe, which favours an essentially technical dialogue, and the Arab League, which champions a more 'global and political' meeting. The direct cause of this initial discord is no longer Israel and the

Palestinian question but Egypt, which the League wishes to exclude from future discussions but which has Europe's support.

The German initiative

The idea had been mooted in summer 1979, when Mr Al Shabah and Mr Giraud, the Kuwaiti and French Energy Ministers, discussed cooperation between the EEC and the Gulf States. The EEC Council decided to leave it to the Gulf States to make the first move so as not to compromise future prospects by undue haste. Nonetheless, on 15 January, it was Mr Genscher who put his formal proposal to the Council, and secured the latter's approval. This move was perhaps not unconnected with a visit made shortly beforehand to the region by Count Lambsdorff, German Minister of Economic Affairs, when the Governments of the Gulf States voiced their desire for closer relations with the Community.

Will these negotiations cover the oil issue, which has been kept out of the Euro-Arab dialogue? Here again the answer is likely to be disappointing: the seven Gulf States are even more anxious than the League to stand firm with OPEC and the Group of 77, which would thus rule out any discussions on the subject with the Community without the participation of the other organizations. The Federal Government has no illusions on this point and its proposal for cooperation in the energy field refers only to 'exchanges of statistics on world supply and demand forecasts' and the 'explanation' of European energy policies to the Gulf States.

Political and economic interests

As a result, the two sets of negotiations that are now getting under way will probably avoid the most disturbing economic issue of our time, namely trade in oil. Why then is Europe so anxious to establish a dialogue?

An initial clue is to be found in the German proposal, which points out that the Gulf States are the only Arab countries not associated with the Community through economic agreements. This region which — as the source of half its oil supplies — is so vital to Europe is currently in a state of turmoil, caught between the wave of Islamic favour and the Soviet invasion of Afghanistan. Mr Genscher's move is essentially a political one, representing a contribution by Europe to the maintenance of stability in the region and illustrates the contention that even a halting dialogue is preferable to total isolation. This desire for contact for political ends does not obscure the economic expectations of the two sides: they are in fact complementary.

Europe's interests in the Arab countries lie in the capital goods and consumer markets — which for the time being are outside association agreements — and in stable oil supplies and prices. The latter need is particularly pressing in view of the increasing trend over the past two years towards 'government-to-government' contracts, a practice which has been imposed by the producer countries and is causing such a high level of inflation that the very existence of the international monetary system is at risk.

Industrial investment

The Arab States, in their turn, expect Europe to take a stand on the Middle East crisis — a matter on which the Community is reluctant to commit itself. They are also interested in obtaining arms supplies (negotiated directly with the Member States on a bilateral basis) and assistance in getting their economies off the ground.

On this last point, Europe can be of considerable help. The seven Gulf States are among the richest in the world in terms of earnings but not of development: their non-oil industrial product varies from 0 per cent to 7 per cent of their gross domestic product (GDP). For their first ventures into international competition, countries such as Iraq and Saudi Arabia have invested in petrochemicals and the highly energy-intensive metalworking industry, including sectors such as aluminium or iron and steel production. Owing to the absence of domestic markets, the output is intended for export, mainly to Europe. However, the customs duties levied by the Community constitute an almost impenetrable barrier. Such protection is already proving frustrating for Kuwait, which has plants in operation now, and will soon become intolerable for Saudi Arabia, on whose account concerns such as Exxon and Mitsubishi are setting up a number of petrochemical complexes. One of these, at Al Jubail, is designed to supply annually 1.5 million tonnes of ethylene, 660,000 tonnes of methanol. 500,000 tonnes of urea and ten or so other petroleum products. The Gulf States are anxious to obtain preferential customs treatment similar to that accorded to Algeria, which has been able to export its petroleum products to Europe without any restriction since 1 January.

Towards a more broadly-based dialogue

Accordingly the terms of the Euro-Arab economic dialogue are clear — even if political obstacles are preventing it from taking place. But surely the starting-point is exactly the same as in 1973 and the aspirations and barriers just as they were.

Perhaps not quite; there has been some change in attitudes in the meantime. The Arab experts are now aware that they cannot expect Europe to sacrifice its petrochemicals industry without receiving something in return, whereas the Europeans realize that the days of unlimited oil at $2 the barrel are over. Most important of all, both sides have become conscious of one of the weaknesses of the dialogue, namely the allegiance of each side to a broader 'bloc', i.e. the West and the Third World, without whose backing nothing can be accomplished.

Consequently, the call for world economic negotiations is acquiring support. This idea, which has long been championed by the Group of 77, particularly at UNCTAD (United Nations Conference on Trade and Development) sessions, is gaining ground in Europe. On 22 January, Dr Brunner, Member of the European Commission responsible for energy, outlined in an address to the German Foreign Policy Association a set of instruments for world economic co-operation which he felt could enable countries or blocs to settle their trade or development difficulties by means other than the law of the jungle.

Dr Brunner's view is that the present crisis is due to the fact that there is no satisfactory dialogue to settle the world's objective problems, which are economic in essence but are approached from a political angle. To give the proposed instruments credibility in the eyes of the world, Dr Brunner urged that Europe should start by adopting them itself and then persuade the other groupings to follow suit.

The first of these instruments would be a world pact for stable energy supplies, to which Europe would contribute by levying a tax on its oil imports. The proceeds of this tax would be used to finance the development of indigenous alternative energy sources. The member states should agree to conduct negotiations with the Third World on the international redistribution of labour: there our economies should abandon anything that can be produced better and more cheaply elsewhere. This applies in every way to the Arab States whose development should be sponsored more actively by Europe, without fear of broaching the energy issue.

New economic order

Among the other foundations on which the new trading system was to be based, Dr Brunner listed the attainment of the European Monetary System (with its currency, the ECU, possibly taking over the role of the dollar), the setting up of a World Economic Security Council and closer economic cooperation with the USSR, which he saw as the only realistic means of achieving disarmament between East and West.

On the other hand, the new world economic order outlined above embodies the weaknesses inherent in the Euro-Arab dialogue: in fact virtually all countries in the world have a part to play in meeting the aspirations of Europe (stable energy supplies) and the Arab States (development aid), with the result that a bilateral solution is not feasible.

Nevertheless, the two sets of negotiations now getting under way between the Europeans and the Arabs will at any rate increase awareness of their respective needs and consequently pave the way for an economic dialogue of this kind on a world scale.

The first Euro-Arab dialogue

The idea of the Euro-Arab dialogue was first mooted by the Nine on 6 November 1973, three weeks after the six OPEC countries unilaterally increased oil prices. The dialogue proper started two years later, in 1975, at expert level. In 1976 it was boosted to ambassadorial level and four meetings took place within a General Committee between May 1976 and December 1978.

Two factors have helped to weaken the impact of the dialogue:

(i) A difference in approach between the Community, which is anxious to discuss economic matters (trade and cooperation), and the League, which wants a political forum, recognition of the PLO and European condemnation of Israel. This issue almost prevented the negotiations ever getting off the ground at all as the Europeans initially refused to allow a PLO delegation to take part, which was one of the prerequisites stipulated by the League. On 13 February 1975, in Dublin, the Nine finally agreed that the PLO should have a seat on a single Arab delegation facing a single European delegation, each of them composed of experts acting in a non-representative capacity.

(ii) The absence of trade in oil as one of the items on the agenda. Yet when they invited the Member States of the League to join in discussions, the European Heads of State declared as far back as December 1973, that they wished to open negotiations with the oil producers with a view to furthering the economic and industrial development of the Arab countries, industrial investment and stable energy supplies, at reasonable prices, for the EEC Member States.

The decision to keep this subject out of the dialogue proper was therefore not taken by Europe but came from the Arab countries and, in particular, the United States, which wished to be present at discussions on oil with the producer countries and advocated the formation of a consumers' pressure group. It was for this reason that Saudi-Arabia — a traditional ally of the United States — proposed a few months later that the question of trade in oil should be dealt with at the Conference on International Economic Cooperation (the 'North-South dialogue') which was then opening in Paris, with the United States as one of the participants. The desired pressure group was indeed set up a few months later in the shape of the International Energy Agency — without France, which had in vain urged the other Member States to initiate a Euro-Arab dialogue *not* involving the United States.

Deprived of its main purpose, all that the dialogue can be said to have achieved in two years of work is ten or so joint studies.

Coal & Steel

A short guide to ECSC Loans and Grants

When the European Coal and Steel Community (ECSC) was established under the Paris Treaty of 1951, coal and steel were the basic industries of Europe and still regarded as important engines of war. The Six founder members of the first Community (France, Germany, Italy, Holland, Belgium and Luxembourg) decided to link these industries irrevocably together so as to make further war between Western European States unthinkable. This objective has been achieved.

The Treaty aimed both to pool the overall policies of the Six and to provide means for helping with their restoration and modernization after the war. It also emphasised the need to ensure high employment and good conditions for coal and steel workers.

The ECSC broke entirely new ground in international cooperation and its structures were later to be refined in the Rome Treaty of 1957 that set up the European Economic Community (EEC). In 1967 the ECSC institutions were merged with those of the EEC and the European Atomic Energy Community (Euratom) to form the European Community, with a common Commission, Council of Ministers and European Parliament, but with a separate Consultative Committee consisting of coal and steel employers, workers and consumers which remains to advise the Commission on the industries. British Committee members include Robert Scholey, Bill Sirs and Hector Smith for steel, and Derek Ezra and Jo Gormley for coal.

Articles 54-56 of the Paris Treaty empower the ECSC to offer loans or grants to the coal and steel industries for a variety of purposes — loans to assist investment in industrial programmes designed to increase production or reduce costs, or conversion projects aimed at creating or maintaining jobs; and grants to help workers affected by economic or technological change and for research. Cheap loans are also available for improvement of housing conditions.

In the 1960s the ECSC faced an expanding steel industry and a declining coal industry. Today the wheel has turned and it is steel that is in difficulties, not only in Britain but throughout the European Community and in other industrialised countries. The ECSC is willing to help where it can, but many people are not clear as to what loans and grants are available and how they can be obtained. The following is a short guide.

Where the money comes from

ECSC loan funds are raised by floating public and private loans on the capital market and these resources are on-lent at cost to qualifying end-borrowers. Reduced interest rates on certain types of loans are financed from own resources. Grants are taken from ECSC funds acquired by a levy on coal and steel production, and a grant from the Community budget.

Industrial projects
(Article 54)

Loans are available to help carry out investment programmes in the coal or the steel industries which contribute 'directly and primarily' to increasing production, reducing costs, or facilitating the marketing of coal and steel products, such as by improving the supply of raw materials, developing port facilities and so on.

The Commission determines the size of the loan on a case by case basis. Since the late 1950s nearly a quarter of all investment in the Community's steel industry has been financed under Article 54, with a total lending of £3,500m in the last 20 years. Priority programmes, particularly those which contribute to economies in energy consumption, may, in the first five years, have interest rates lowered by three percentage points (e.g. from 11.5 per cent to 8.5 per cent) for a part of the loan.

Applications should be sent to the European Commission (Directorate-General for Credits and Investments, Jean Monnet Building, Luxembourg-Kirchberg), following consultation with regional offices of the Department of Industry or equivalent in Scotland, Wales and Northern Ireland.

Loans for conversion
(Article 56)

These loans, most in demand today, are for helping finance programmes that will create or maintain jobs for redundant workers, either by expanding existing projects or setting up new ones. Firms not connected with the coal or steel industries can be helped if they are providing new jobs in coal and steel areas hit by economic recession or technological change leading to redundancies in those industries. Subject to certain criteria, the ECSC can contribute up to 50 per cent of the fixed investment, with an interest rebate of up to 3 percentage points available for part or all of the loan, depending on the number of jobs to be created and offered in priority to former steel or coal workers.

For loans of £1 million or more, investors should apply to the Commission in conjunction with the regional office of the Department of Industry or equivalent in Wales, Scotland or Northern Ireland. For loans under £1 million applications should be sent to the Industrial and Commercial Finance Corporation (91 Waterloo Rd., London SE1 8XP or regional offices), which aggregates approved applications, applies to the Commission for the appropriate loan and arranges for its allocation. The Government is prepared to arrange exchange risk cover both for direct and indirect loans at a cost of 1 per cent or 2 per cent depending on the 'regional' classification of the area.

Loans for housing

The ECSC offers loans at low rates of interest (at present 1 per cent), repayable up to 20 years, towards the building or improvement of homes for coal and steel workers. The Commission has entered into an agreement with the Halifax Building Society to help workers in certain areas buy their own homes. Applications should be made through employers, but ECSC funds are limited by the national quota allocated to each Community country.

Special payments or readaptation grants
(Article 56)

The Commission can make grants to workers affected by fundamental change in their industry. These payments cover tide-over allowances (including redundancy payments), resettlement allowances, and vocational training for those entering new employment.

Governments have a framework agreement with the Commission regarding the payment of these grants, and it is up to the Department of Industry to inform the Commission when it wants the grants with an estimate of the required amount. The ECSC can pay up to 50 per cent of that amount subject to termination as set out in the agreement.

Research (Article 55)

Grants are also available for technical, and social and medical research connected with coal and steel. Technical research can attract up to 60 per cent of directly incurred expenditure, while social and medical research is usually decided by contract, the amount of financial help depending on the project.

The ECSC wants to help

The ECSC wants to help. With unemployment threatened in the steel industry it is particularly concerned that there should be a wider appreciation of money available to firms, large and small, for job-creating loans under Article 56.

It will always welcome enquiries. Those interested should write direct to the Commission (Directorate-General for Credit and Investments, Jean Monnet Building, Luxembourg-Kirchberg), or consult the regional office of the Department of Industry or equivalent in Scotland, Wales and Northern Ireland.

Examples of ECSC help for UK coal and steel

Industrial projects (Article 54)

Coal: Loans totalling £255m towards development of a new pit at Selby, Yorkshire. In the end the Community is expected to contribute about £500m in loans towards this £1,000m project.
Steel: Since 1973 the industry has benefited from loans worth £366m to modernize production and keep down costs.

Conversion loans (Article 56)

Since 1973 loans totalling about £100m have helped fund new investment to provide jobs in coal and steel areas. In 1979, out of total loans of £47m, £21m went to South Wales, £5m to North Wales, £19m to North East England, and £2m to Scotland.

Housing loans

Miners: Since July 1979 loans totalling £146,490 for construction and modernization of 61 homes;
Steel workers: Loans totalling £473,528 for construction and modernization of 207 homes.
Loans are usually at 1% rate of interest and repayable over 20 years.

Special payments (Article 56)

Since 1973 the steel industry has received grants totalling £24m for training and readaptation purposes. In January Shotton received £7.7m to help fund various measures such as early retirement, retraining, redeployment and redundancy.

Research (Article 55)

In 1978 the National Coal Board received grants totalling about £5m to carry out research on a variety of projects concerned with improvement and development of the industry.

1980 Programme

Jenkins calls for solidarity and respect for the rule of law

In the traditional annual programme speech to the European Parliament in Strasbourg on 12 February, EEC Commission President Roy Jenkins outlined the Commission's thinking on how to adapt European society to the new economic realities.

We face no less than the break-up of the established economic and social order on which post-war Europe was built, he said. We have built our industrial society on the consumption of fossil fuels, in particular oil, and it is now certain that if we do not change our ways while there is still time — our society will risk dislocation and eventual collapse. The signs of irreversible change are now visible in the accelerating decline of some of our older industries; in the impact of new technologies in many areas of our daily lives; in the changing pattern of our trade.

The essential question for 1980 and the years ahead is therefore simply this: how do we adapt our society to the new economic realities?

Energy

In the short term, energy conservation must be the cornerstone of our policy. The potential for savings is immense: by 1990 they could mean as much as 20 per cent off our import needs. And we should rapidly raise the levels of our investment in the new ways of saving energy. Second, we must do more to exploit our native resources. We need to reverse the downward trend in the consumption and production of coal; the delays which have occurred in the development of nuclear energy in different parts of the Community should be made up as soon as possible. Third, we need to devote far more time and attention to the development of other sources of energy. We need to put more into our research and development programme. Our efforts to cope with these problems will require time, money, and determination. The most tangible is money, which is why the Commission is looking at possibilities which include the idea of some form of energy tax or levy.

New advanced technology

The ultimate test of success or failure in the next decade will be the attitude we adopt to the challenge of the new electronic technologies. The first effects of these developments can already be seen reflected most starkly in the loss of jobs in traditional industries. The results are sudden, sharp and devastating. In printing and publishing for example, where composition direct from the key-board has cut out traditional skills, we are now witnessing the prospect of a fall in established employment which could amount to 70 per cent.

But these dramatic effects tend to hide the gains to be had from the same technologies. Such gains come from the demand for the new products available. They also arise because of the more efficient use of resources leading to lower costs and the release of resources for investment elsewhere. We need not only to exploit these new developments but to contain their social effects. Our major competitors have worked out more consistent and wider scale strategies than we, and the technological gap is increasing.

Employment

Our people must be informed about the changes that are occurring, to see beyond their immediate horizon. Otherwise we can expect little but defensive and restrictive attitudes to changes from workers who see only that their industry is contracting, or that their firm is closing. Second, if we are to make the necessary but difficult changes in our society, our policies must encourage greater mobility and people must be given the means to adapt to new opportunities and to learn new skills. Third we must reduce to the minimum the average period of unemployment. That requires more training and retraining and further discussions on the different aspect of time-sharing.

European Monetary System

The system has worked well, providing a valuable degree of monetary stability in Europe at a difficult time of international turbulence. I hope the experience we have gained will encourage the ninth member state to come in. Without sterling the system is frankly incomplete. I would like to see a steady extension of the EMS, for example through closer coordination within it and elaboration of common policies with regard to third countries and currencies, as part of a common effort to rebuild a framework within which monetary turbulence can be effectively contained.

UK budget problem

In our paper on structural questions affecting the less prosperous members of the Community, and budgetary questions affecting the United Kingdom, we have cut these problems down to size, and made their solution one of practical and specific negotiation. Let us not have too much metaphysical but unrewarding argument. It is time now for us to settle these issues and put them behind us once and for all.

Institutions

There was remarkable similarity of view in both the reports of the 'three wise men' and of the Spierenburg group about the role and responsibilities of the Commission. There was no dispute that the Commission should continue to exercise its political powers of initiative in full independence. Like all organizations the Commission needs to adapt and renew its own response to changing circumstances. The Spierenburg report will be acted upon. We will shortly be considering a range of proposals designed to secure streamlining of our administrative services, improvement and strengthening of our internal coordination and planning, and better control over the use of staff.

The Commission hopes that there will be rapid consideration leading to action on the wider institutional issues raised in the reports. Decisions will soon be necessary on the composition of the next Commission. Our experience does not lead us to think that it should necessarily be smaller than the present one, but it should certainly not be larger. Although I cannot commit the new Commission, we think it right that it should, as it were, submit itself to this House (the European Parliament) on taking up office. I am not proposing anything so formal or precise as a vote of confidence; but the next Commission must be in a position to know that it has been accepted by those who represent the people of the Community.

Rule of law

We can achieve nothing unless we act in the spirit of solidarity. That solidarity depends on respect for the rule of law. There can be no bargaining with the law. No consideration of temporary advantage or national self-interest can transcend our common interest in an orderly world in which rules are respected until there is agreement to change them. The Court interprets the law on the basis of the Treaties of which the Commission is the guardian. There is no duty to which the Commission attaches more importance. It is the rock on which the Community stands.

Books

Just published

United Europe

The Community Today (Office for Official Publications of the European Communities, 226 pages, paperback £3.30, distributed in the UK by HMSO)

This book is compiled by an enthusiastic team of young European civil servants. They took on the assignment outside their normal work, because they believe in a United Europe, and want youth's help in building it into an even stronger structure for the future. The work shows how much progress has already been made, and what remains urgently to be done. It outlines the historical and political background, explains the budgetary system, monetary union, the common agricultural policy, energy, consumer protection, social and regional policies, environmental control and looks at Europe's rôle in today's world. This book provides an invaluable reference for sixth formers, undergraduates and others interested in current affairs, economics and politics.

Parliamentary guide

The Times guide to the European Parliament by David and Alan Wood (Times Books Ltd., 267 pages, £12.50)

This new guide gives the detailed results of the world's first international election. In June 1979 some 110 million people in the nine member states of the EEC voted for the 410 members to represent them in the new Parliament which sits in Strasbourg and Luxembourg. Until this election, MEPs were nominated by the Parliaments of their own member states.

This guide contains election statistics for each member state, biographies and photographs of all MEPs and manifestos of the political groupings. It is a companion volume to the Times Guide to the House of Commons, which has been published after every British election since 1880.

Industrial relations

The real power game — a guide to European industrial relations by Jack Peel (McGraw-Hill, 216 pages, £5.95)

Jack Peel is a life-long, active member of the British trade union movement, a former member of the TUC General Council and currently Director of Industrial Relations at the European Commission. He is therefore well qualified to probe the human attitudes behind the controversies of European industrial relations.

In this book he examines in detail the problems and opportunities for unions and employers in a European context and gives an insight into the policy-making apparatus of the EEC, showing where the main pressure points are. The latest trends in European industrial relations are analysed and the reader presented with ideas and formulae from other countries for use in his or her own work place.

Economic integration

The economics of international integration by Peter Robson (George Allen & Unwin, 197 pages, £10.00)

The book is a concise yet wide-ranging exposition of the principles of economic integration. Starting with the basic theory of customs unions and free trade areas, the author goes on to examine the modifications which are called for in the context of multiple policy objectives. Particular attention is given to recent theoretical developments which have profoundly altered the traditional approach to the subject. The policy issues involved in moving beyond customs unions to closer forms of integration are examined and particular attention is given to monetary integration, fiscal harmonisation and regional policy. Separate chapters discuss the problems of integration in planned and in developing economies. The treatment is non-mathematical and much of the argument will be accessible to a wide readership.

Handbook

EEC Brief by Gregg Myles (Locksley Press, 101 Locksley Park, Belfast BT10 0AT, Northern Ireland, 2 vols, 370 pages now, with a further 180 pages to follow, £14.50 + £1.10 p&p)

Mr Gregg has done extensive research within the European institutions to produce this very clear, loose-leaf handbook on EEC law, practice and policy for use by the academic, business, professional and public sectors.

While emphasis is given to the positions in Ireland and the United Kingdom, the greater part of the text is relevant for anyone who wishes to know about the EEC. It covers international law and European Community law and the national legal orders of Ireland and the United Kingdom, an assessment of the EEC's institutions and information on different policy areas. In an important section, the text deals with the Community funds — European Investment Bank, New Community Instrument (NCI), European Regional Development Fund, European Social Fund and ECSC funding. Annual updates will add to and substitute existing pages.

Geography

The New Europe – an economic geography of the EEC by G.N. Minshull (Hoddet & Stoughton, 284 pages, £3.95)

The theme of this book is the change in the economic fortunes of Western Europe from the nineteenth century to the present day, and the internal and external pressures which are altering its whole economic and political structure. Essentially it relates to the growth and enlargement of the EEC. In the 2nd edition just published, statistics have been revised, production figures brought up to date and important changes in the geography of energy, industry, agriculture and the regions have been recorded. The European Community is presented as a dynamic grouping of countries whose operations are never static but which change in response to a changing world environment.

Regions

Regional policy in the European Community edited by Douglas Yuill, Kevin Allen and Chris Hull (Croom Helm, 251 pages, £12.95)

This book reviews regional incentives and policy in the European Community countries, notably: infrastructure investment; the use of state-owned or state-controlled firms to help develop problem regions; the use of disincentives in regions under pressure; and regional incentive expenditure. Each of the EEC countries is treated systematically, by examining the problem, the incentives and a comparison with other countries.

Interest groups

Community advisory committees for the representation of socio-economic interests by the General Secretariat of the Economic and Social Committee (Saxon House, 215 pages, £8.50).

This survey seeks to throw some light on the Community's consultative machinery by systematically describing the various consultative bodies, which have been classed according to their terms of reference. The aim is to illustrate the ways in which economic and social interest groups put forward their points of view within the Community.